

**Report on Financial Results for City of  
Adelaide  
Statement of Comprehensive Income**  
for the year ended 30 June 2023

2019-20 Actuals	2020-21 Actual	2021-22 Actual	\$ '000	2022-23 Actual	2022-23 Adopted Budget	Variance		2022-23 Actual vs Budget Commentary
<b>Income</b>								
<b>115,634</b>	<b>118,510</b>	<b>121,350</b>	<b>Rates Revenues</b>	<b>124,957</b>	<b>123,661</b>	<b>1,296</b>	<b>1%</b>	Largely driven by a reduction in discretionary rebates
<b>11,770</b>	<b>10,709</b>	<b>10,208</b>	<b>Statutory Charges</b>	<b>12,160</b>	<b>11,896</b>	<b>264</b>	<b>2%</b>	Due to higher level of Encroachments \$200k and Temporary Parking Controls \$268k, offset by a reduction in Expiations and late payment fees \$344k in line with reduced parking fees.
9,952	10,695	10,302	<i>Parking Fees</i>	11,393	11,649	(256)	-2%	Lower than expected on-street parking ticket machine income.
10,947	9,805	9,727	<i>Property Lease</i>	8,933	9,560	(627)	-7%	Reduced income due to Central Market Arcade Redevelopment \$1,563k, offset by additional income due to Advertising Income, and lower vacancies across the city.
4,900	4,551	5,526	<i>Adelaide Aquatic Centre Charges</i>	6,545	6,604	(59)	-1%	
2,232	3,234	3,554	<i>North Adelaide Golf Course</i>	3,624	2,991	633	21%	Ongoing increased activity.
1,017	313	1,434	<i>Adelaide Town Hall</i>	2,194	901	1,293	144%	Due to a change in catering services, resulting in increased revenue and expenditure of \$700k, as well as ongoing increased activity.
26,285	27,341	27,911	<i>Off-Street Parking</i>	30,804	28,352	2,452	9%	Due to patronage returning to pre-COVID levels (budget assumed 90%), as well as higher revenue from Central Market Parking due to original budget being reduced as a factor due to the proposed demolition of the arcade.
3,741	3,231	3,087	<i>Property Recovery</i>	1,737	2,607	(870)	-33%	In line with reduced property income above.
1,962	2,080	1,591	<i>Other User Charges</i>	1,686	815	871	107%	Individually immaterial items including Nursery Sales, Events and Rundle Mall Concession Income
<b>61,036</b>	<b>61,250</b>	<b>63,132</b>	<b>Total User Charges</b>	<b>66,916</b>	<b>63,479</b>	<b>3,437</b>	<b>5%</b>	
<b>8,560</b>	<b>5,432</b>	<b>9,375</b>	<b>Grants, Subsidies and Contributions</b>	<b>7,696</b>	<b>10,907</b>	<b>(3,211)</b>	<b>-29%</b>	Due to the timing of the recognition of the Resilient Flood Mapping Project of \$3.1m, which will be recognised in line with the completion of the milestone, forecast for 23/24.
<b>231</b>	<b>276</b>	<b>341</b>	<b>Investment Income</b>	<b>1,146</b>	<b>70</b>	<b>1,076</b>	<b>1537%</b>	Due to unwinding of Unwinding of PV discount of 88OC \$655k, as well as interest on cash positive balances.
<b>1,443</b>	<b>665</b>	<b>934</b>	<b>Reimbursements</b>	<b>1,164</b>	<b>338</b>	<b>826</b>	<b>244%</b>	Increase in private works reimbursement
<b>539</b>	<b>540</b>	<b>366</b>	<b>Other Income</b>	<b>1,436</b>	<b>3,095</b>	<b>(1,659)</b>	<b>-54%</b>	Budget included a 50% allocation of the \$4.83m budget repair item.
-	-	-	<b>Net Gain - Equity Accounted Council Businesses</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>0%</b>	Share of operating surplus in Brown Hill and Keswick Creeks Stormwater Board.
<b>199,213</b>	<b>197,382</b>	<b>205,706</b>	<b>Total Income</b>	<b>215,485</b>	<b>213,446</b>	<b>2,039</b>	<b>1%</b>	
<b>Expenses</b>								
<b>79,757</b>	<b>74,410</b>	<b>69,092</b>	<b>Employee Costs</b>	<b>72,478</b>	<b>74,745</b>	<b>2,267</b>	<b>3%</b>	Due to vacancies across the organisation offset by an increase in temporary labour.
23,854	17,329	14,558	<i>Contractors</i>	15,947	15,442	(505)	-3%	Due to an increase in temporary labour \$3.1m offset by kerbside waste collection (actuals within Waste Services) of \$1.3m and other savings across the organisation including the delivery of in-house maintenance vs outsourcing.
8,629	7,954	8,144	<i>Maintenance</i>	9,044	8,631	(413)	-5%	Increase in outsourced maintenance vs delivering the maintenance in house
1,445	1,531	1,428	<i>Legal Expenses</i>	1,587	1,152	(435)	-38%	Additional legal spend in relation to People Services \$279k and other legal matters \$175k.
2,241	2,354	2,346	<i>Levies Paid to Government - including NRM levy</i>	2,546	2,476	(70)	-3%	
6,353	4,774	5,892	<i>Parts, Accessories &amp; Consumables</i>	5,416	5,210	(206)	-4%	Increase in spend in line with increase in maintenance activity.
7,419	4,134	3,932	<i>Professional Services</i>	6,710	8,690	1,980	23%	Budget includes Resilient Flood Mapping of \$3.1m against actual spend of \$1.1m
2,681	2,581	4,068	<i>Advertising and Promotion</i>	3,644	2,579	(1,065)	-41%	Continued increase in Advertising and promotion to entice the community back into the City.
994	988	1,034	<i>Bank Charges and Cash Collection</i>	1,103	1,168	65	6%	
2,904	3,094	2,962	<i>Cleaning</i>	2,671	2,862	191	7%	Reduction in cleaning requirement following COVID-19 increased measures.
8,981	7,592	7,857	<i>Energy and Water</i>	9,149	9,414	265	3%	Due to slightly favourable prices in new renewable electricity vs budgeted amounts.
2,075	2,165	2,237	<i>Insurance</i>	2,528	2,248	(280)	-12%	Increase in Insurance premiums, as well as the mix of assets insured following an internal review.

## Attachment - K

2,267	1,839	2,025	Security	2,255	2,017	(238)	-12%	Increase in services, partially due to additional events run in FY23 as the city recovers from COVID
4,719	6,975	10,829	Sponsorships, Contributions and Donations	11,348	8,138	(3,210)	-39%	Includes AEDA sponsorship & contributions \$0.9m, IT Public Network \$0.7m, Heritage Incentive Scheme \$0.3m, City Wide Waste contribution \$0.3m
1,255	1,670	1,684	Subscriptions	1,779	1,808	29	2%	
1,512	1,674	1,673	Waste Services	3,593	1,880	(1,713)	-91%	Actuals include the cost of kerbside collection which was budgeted for within Contractors of \$1.3m
6,465	4,699	7,096	Other expenses	8,756	5,129	(3,627)	-71%	Budget included a 50% allocation of the \$4.83m budget repair item.
83,794	71,353	77,765	Total Materials, Contracts & Other Expenses	88,076	78,844	(9,232)	-12%	Individually immaterial items
51,869	56,808	56,568	Depreciation, Amortisation & Impairment	52,287	57,264	4,977	9%	Reduced depreciation through the recalculation of useful lives of Buildings as well as the impact of a number of capital projects continuing into 2023-24.
2,121	1,740	1,277	Finance Costs	952	2,506	1,554	62%	Reduced interest expense as a result of lower than anticipated borrowings, as well as the interest impact of PV of Non-Current Receivables.
18	4	27	Net loss - Equity Accounted Council Businesses	-	-	-	-	
217,559	204,315	204,729	Total Expenses	213,793	213,359	434	0%	
(18,346)	(6,933)	977	Operating Surplus / (Deficit)	1,692	87	1,605	1845%	
-	450	373	Physical Resources Receive Free of Charge	2,280	-	2,280	-	Gifted Assets included the work performed by the State Government on Adelaide 500.
1,092	(6,527)	(658)	Asset Disposal & Fair Value Adjustments	(14,747)	2,020	(16,767)	-830%	Includes disposal of Park Lands and Open Space Assets no longer capitalised based on our Fixed Asset Guideline.
1,205	2,698	3,411	Amounts Received Specifically for New or Upgraded Assets	6,655	14,932	(8,277)	-55%	Reduced grant funding recognised on Assets still under construction including Mary Lee \$2.0m, Hutt & Melbourne St Improvements \$4.0m, Events infrastructure \$1.8m, and Rymill Park Lake \$1.6m
(16,049)	(10,312)	4,103	Net Surplus / (Deficit)	(4,120)	17,039	(21,159)	-124%	
<b>Other Comprehensive Income</b>								
16,222	48,206	84,305	Changes in Revaluation Surplus - I,PP&E	(6,328)	-	(6,328)	-	The movement represents an accounting adjustment for the asset valuations conducted during the year for Park Lands and Open Space.
			Impairment (expense) / Recoupments offset to Asset Revaluation Reserve	(41,967)				Rundle UPark \$9.8m, as well as the disposal of duplicated assets.
(47)	203	(206)	Net actuarial gains/(losses) on CCASP sub-fund	-	-	-	-	Net less on the defined benefit plan, which was closed in March 2022.
16,175	48,409	84,099	Total Other Comprehensive Income	(48,295)	-	(48,295)		
126	38,097	88,202	Total Comprehensive Income	(52,415)	17,039	(69,454)	-408%	

## Statement of Financial Position as at 30 June 2023

2019-20 Actuals	2020-21 Actual	2021-22 Actual	\$ '000	2022-23 Actual	2022-23 Adopted Budget	Variance	2022-23 Actual vs Budget Commentary
<b>ASSETS</b>							
<b>Current Assets</b>							
945	1,912	2,984	<b>Cash and Cash Equivalents</b>	871	800	71	9%
14,117	16,299	15,774	<b>Trade &amp; Other Receivables</b>	22,049	17,468	4,581	26%
51	-	-	<b>Other Financial Assets</b>	10,633	-	10,633	100%
576	506	541	<b>Inventories</b>	741	506	235	46%
-	958	5,965	<b>Non-Current Assets Held for Sale</b>	26,000	-	26,000	-
15,689	19,675	25,264	<b>Total Current Assets</b>	60,294	18,774	41,520	
<b>Non-Current Assets</b>							
308	376	466	<b>Financial Assets</b>	838	305	533	175%
672	1,119	1,412	<b>Equity Accounted Investments in Council Businesses</b>	1,618	1,635	(17)	-1%
2,161	2,107	42,473	<b>Other Non-Current Assets</b>	44,452	44,672	(220)	0%
1,860,634	1,897,255	1,906,716	<b>Infrastructure, Property, Plant &amp; Equipment</b>	1,823,299	1,874,106	(50,807)	-3%
2,860	2,870	2,870	<b>Investment Property</b>	2,910	2,928	(18)	-1%
1,866,635	1,903,727	1,953,937	<b>Total Non-Current Assets</b>	1,873,117	1,923,645	(50,528)	
1,882,324	1,923,402	1,979,201	<b>TOTAL ASSETS</b>	1,933,411	1,942,419	(9,008)	
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
18,557	24,843	24,286	<b>Trade &amp; Other Payables</b>	33,165	25,872	7,293	28%
4,837	4,690	4,842	<b>Borrowings (Finance Leases)</b>	4,844	4,877	(33)	-1%
14,606	13,320	13,605	<b>Provisions</b>	13,636	13,858	(222)	-2%
38,000	42,853	42,733	<b>Total Current Liabilities</b>	51,645	44,607	7,038	
<b>Non-Current Liabilities</b>							
293	1,293	293	<b>Trade &amp; Other Payables</b>	293	1,293	(1,000)	-77%
51,600	34,700	8,000	<b>Borrowings</b>	7,519	39,841	(32,322)	-81%
36,296	50,463	46,041	<b>Borrowings (Finance Leases)</b>	43,913	40,803	3,110	8%
1,955	1,816	1,655	<b>Provisions</b>	1,977	1,889	88	5%
90,144	88,272	55,989	<b>Total Non-Current Liabilities</b>	53,702	83,827	(30,125)	
128,144	131,125	98,722	<b>TOTAL LIABILITIES</b>	105,347	128,434	(23,087)	
1,754,180	1,792,277	1,880,479	<b>Net Assets</b>	1,828,064	1,813,985	14,079	
<b>EQUITY</b>							
818,558	806,973	792,262	<b>Accumulated Surplus</b>	781,667	809,919	(28,252)	
934,010	982,216	1,066,618	<b>Asset Revaluation Reserves</b>	1,018,226	977,481	40,745	
1,612	1,815	-	<b>Defined Benefit - Unfunded Superannuation Liability</b>	-	1,815	(1,815)	
-	1,273	21,599	<b>Future Fund Reserve</b>	28,171	24,771	3,400	
1,612	3,088	21,599	<b>Total Other Reserves</b>	28,171	26,586	1,585	
1,754,180	1,792,277	1,880,479	<b>Total Council Equity</b>	1,828,064	1,813,985	14,079	

## Financial Indicators for the year ended 30 June 2023

2019-20 Actuals	2020-21 Actual	2021-22 Actual	\$ '000	2022-23 Actual	2022-23 Adopted Budget	Variance	2022-23 Actual vs Budget Commentary
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These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

### 1. Operating Surplus Ratio

	-6,933	977	Operating Surplus	1,692			
	197,382	205,706	Total Operating Revenue	215,485			
-10%	-4%	0.5%	<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>	1%	0.0%		

### 2. Net Financial Liabilities Ratio

	112,538	79,498	Net Financial Liabilities	70,956			
	197,382	205,706	Total Operating Revenue Less NRM Levy	215,485			
57%	57%	39%	<i>Net financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy). A negative figure denotes a Net Financial Asset Position.</i>	33%	10%		

### 3. Asset Sustainability Ratio

	22,390	29,987	Net Asset Renewals	36,913			
	31,107	65,854	Infrastructure & Asset Management Plan required expenditure	50,501			
40%	72%	46%	<i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i>	73%	90%		